Ingenic 君正

Ingenic Semiconductor Co., Ltd.
北京君正集成電路股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3223)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

The board (the "**Board**") of directors (the "**Director(s)**") of Ingenic Semiconductor Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") hereby announces the unaudited consolidated interim results of the Group for the six months ended June 30, 2026 (the "**Reporting Period**") together with the comparative figures for the same period of 2025 as follows:

FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2026, the Group recorded total revenue of approximately RMB3,957.3 million, representing an increase of 75.9% from approximately RMB2,249.1 million for the same period of 2025.

For the six months ended June 30, 2026, profit attributable to owners of the Company amounted to approximately RMB1,197.6 million, representing an increase of 489.6% from approximately RMB203.1 million for the same period of 2025.

For the six months ended June 30, 2026, basic earnings per share for profit attributable to owners of the Company amounted to approximately RMB2.4808, representing an increase of 488.4% from approximately RMB0.4216 for the same period of 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2026

	Notes	Six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**3,957,263**	2,249,112
Cost of sales		**(1,948,462)**	(1,479,522)
Gross profit		**2,008,801**	769,590
Other income, gains and losses, net	*6*	**46,684**	105,160
Selling and distribution expenses		**(216,250)**	(170,680)
Administrative expenses		**(117,254)**	(127,653)
Research and development expenses		**(382,150)**	(348,277)
Finance costs	*7*	**(358)**	(492)
Share of results of associates		**(51)**	394
Profit before tax		**1,339,422**	228,042
Income tax expense	*8*	**(139,484)**	(26,264)
Profit for the period	*9*	**1,199,938**	201,778
Attributable to:			
– Owners of the Company		**1,197,564**	203,115
– Non-controlling interests		**2,374**	(1,337)
		1,199,938	201,778
Other comprehensive income (expense)			
Items that will not be reclassified to profit or loss:			
Fair value change on equity investments designated at FVTOCI		**225,745**	(15,964)
Income tax relating to items that will not be reclassified subsequently to profit or loss		**(19,657)**	3,042
		206,088	(12,922)
Item that may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(225,627)**	170,933
		(225,627)	170,933
Other comprehensive (expense) income for the period		**(19,539)**	158,011

	Notes	Six months ended 30 June **2026** ***RMB'000*** **(Unaudited)**	 2025 *RMB'000* (Unaudited)
Total comprehensive income for the period		**1,180,399**	359,789
Attributable to:			
– Owners of the Company		**1,178,747**	359,476
– Non-controlling interests		**1,652**	313
		1,180,399	359,789
Earnings per share for profit attributable to owners of the Company (RMB per share)	*11*		
– Basic		**2.4808**	0.4216
– Diluted		**2.4742**	0.4214

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2026

	Notes	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**498,598**	471,951
Right-of-use assets		**46,962**	49,399
Investment properties		**82,484**	83,174
Goodwill		**3,007,784**	3,007,784
Intangible assets		**401,884**	471,955
Interests in associates		**792**	843
Equity instruments designated at fair value through other comprehensive income ("**FVTOCI**")		**1,094,547**	648,167
Deferred tax assets		**150,633**	132,530
Other receivables		**14,042**	14,044
Total non-current assets		**5,297,726**	4,879,847
Current assets			
Inventories		**3,144,809**	2,974,647
Trade and bills receivables	*12*	**934,896**	470,781
Other receivables, deposits and prepayments		**218,718**	252,278
Tax recoverable		**7,178**	4,302
Financial assets at fair value through profit or loss ("**FVTPL**")		**1,463,126**	899,705
Restricted bank deposits		**4,465**	4,496
Bank balances and cash		**3,953,712**	4,087,149
Total current assets		**9,726,904**	8,693,358
Current liabilities			
Trade and other payables	*13*	**1,053,957**	844,164
Contract liabilities		**68,644**	117,826
Tax liabilities		**152,818**	29,574
Lease liabilities		**8,439**	8,414
Total current liabilities		**1,283,858**	999,978
Net current assets		**8,443,046**	7,693,380
Total assets less current liabilities		**13,740,772**	12,573,227

	Notes	**As at 30 June 2026** ***RMB'000*** **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Non-current liabilities			
Deferred tax liabilities		**75,470**	62,389
Lease liabilities		**7,416**	9,343
Other payables	*13*	**8,956**	9,256
Deferred income		**3,039**	3,323
Total non-current liabilities		**94,881**	84,311
Net assets		**13,645,891**	12,488,916
Capital and reserves			
Share capital	*14*	**483,664**	482,541
Reserves		**13,117,708**	11,966,317
Equity attributable to owners of the Company		**13,601,372**	12,448,858
Non-controlling interests		**44,519**	40,058
Total equity		**13,645,891**	12,488,916

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended June 30, 2026

1. GENERAL INFORMATION

Ingenic Semiconductor Co., Ltd. (the "**Company**") was incorporated in the People's Republic of China (the "**PRC**") as a joint stock company with limited liability. The Company's A shares have been listed on Shenzhen Stock Exchange since 31 May 2011.

The addresses of the registered office of the Company and principal places of business of the Company are the same as the registered office in the PRC and the headquarters in the PRC.

In the opinion of the directors of the Company, the Company is ultimately controlled by Mr. Liu Qiang and Mr. Li Jie who signed an acting in concert agreement.

The Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") are principally engaged in sales of integrated circuit.

The functional currency of the Company and its subsidiaries incorporated in the PRC is Renminbi ("**RMB**").

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual IFRS Accounting Standards and Interpretations approved by the International Accounting Standards Board ("**IASB**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**").

3. ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial asset, which are measured at fair value.

The accounting policies used in the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025 except as described below.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards issued by the IASB, which are effective for the Group's financial year beginning on 1 January 2026:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

4. REVENUE

An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of goods or services		
Sales of goods		
Memory ICs	**2,631,616**	1,384,476
Computing ICs	**1,043,405**	604,297
Analog ICs	**269,607**	243,794
Others	**9,329**	11,891
Revenue from contracts with customers	**3,953,957**	2,244,458
Property investment – rental income	**3,306**	4,654
Total	**3,957,263**	2,249,112
Timing of revenue recognition		
At a point of time	**3,953,957**	2,244,458
Total revenue from contracts with customers	**3,953,957**	2,244,458

5. SEGMENT INFORMATION

The directors of the Company, being the chief operating decision makers, review the Group's internal reporting in order to assess performance and allocate resource. The Group is principally engaged in the sales of ICs and provision of technical services. Information reported to the chief operating decision makers, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available.

Geographical information

The Group's operations and location of non-current assets are in the PRC and overseas. Information about the Group's revenue from external customers is presented based on destination to which the products are delivered to its customers. Information about the Group's non-current assets is presented based on the geographical location of the assets. All non-current assets are allocated to reportable and operating segments.

Revenue from the external customers, based on the destination to which the products are delivered to its customers, are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Geographical region		
The PRC	**637,950**	372,720
Overseas	**3,319,313**	1,876,392
Total	**3,957,263**	2,249,112

Non-current assets based on their locations are as follows:

	As at	As at
	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Geographical region		
The PRC	**3,307,698**	3,305,212
Overseas	**730,806**	779,894
Total	**4,038,504**	4,085,106

Note: Non-current assets excluded financial instruments and deferred tax assets.

6. OTHER INCOME, GAINS AND LOSSES, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Exchange (losses) gains, net	**(8,093)**	28,207
Interest income on finance lease	**–**	203
Bank interest income	**39,271**	43,230
Government grants	**1,131**	3,384
Additional value added tax deductions	**2,656**	1,184
Investment return from financial assets at FVTPL:		
– Gain on derecognition of financial assets at FVTPL	**16,486**	13,913
– Gain on changes in fair value of financial assets at FVTPL	**16,297**	2,523
Loss on disposal of property, plant and equipment	**(109)**	(35)
Gain on disposal of intangible assets	**–**	24,207
Impairment loss on intangible assets	**(22,772)**	(12,065)
Others	**1,817**	409
Total	**46,684**	105,160

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on lease liabilities	**358**	492

8. INCOME TAX EXPENSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax-The PRC and other jurisdictions		
Charge for the period	**164,162**	41,267
Deferred tax	**(24,678)**	(15,003)
Total	**139,484**	26,264

9. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit before tax has been arrived at after charging (crediting):		
Directors' and supervisors' emoluments	**1,793**	2,148
Other staffs' salaries	**369,811**	289,458
Other staffs' retirement benefit scheme contributions	**30,312**	27,137
Equity-settled share-based compensation expense	**14,373**	27,227
Total staff costs	**416,289**	345,970
Cost of inventories sold	**1,907,068**	1,448,949
Auditor's remuneration	**–**	–
Depreciation of property, plant and equipment	**35,238**	33,864
Depreciation of right-of-use assets	**6,434**	5,816
Depreciation of investment properties	**942**	932
Amortisation of intangible assets	**44,748**	50,431
Provision for (reversal of) write-down on inventories (included in cost of sales)	**10,095**	(357)

10. DIVIDENDS

The dividends declared by the Company during the six months ended 30 June 2026 and 2025 were as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Dividends declared by the Company	**–**	–

On 7 May 2026, the Company's shareholders approved the 2025 profit distribution plan at an annual general meeting, pursuant to which an aggregate amount of RMB72,381,000 (inclusive of tax) were subsequently paid in May 2026 to the shareholders of the Company on the record date for determining the shareholders' entitlement to the 2025 profit distribution plan, which amounted to a dividend of RMB1.5 (inclusive of tax) for every 10 shares of the Company.

On 12 May 2025, the Company's shareholders approved the 2024 profit distribution plan at an annual general meeting, pursuant to which an aggregate amount of RMB48,156,000 (inclusive of tax) were subsequently paid in June 2025 to the shareholders of the Company on the record date for determining the shareholders' entitlement to the 2024 profit distribution plan, which amounted to a dividend of RMB1.0 (inclusive of tax) for every 10 shares of the Company.

11. EARNINGS PER SHARE

The calculations of the basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	**1,197,564**	203,115
	Number of shares	
	'000	*'000*
Weighted average number of ordinary shares for the purposes of basic earnings per share	**483,664**	481,732
Effect of dilutive potential ordinary shares	**1,286**	317
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**484,950**	482,049

Basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2026 and 2025.

12. TRADE AND BILLS RECEIVABLES

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**933,786**	466,860
Less: Expected credit losses	**(234)**	(328)
	933,552	466,532
Bills receivables	**1,344**	4,249
	934,896	470,781

The Group generally allows credit period ranging from 30 to 90 days, depending on the specific payment terms in each contract.

The following is an analysis of trade receivables by age, net of allowance for credit losses, presented based on the date of revenue recognition as at 30 June 2026 and 31 December 2025:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within one year	**933,552**	466,532

13. TRADE AND OTHER PAYABLES

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**758,514**	599,033
Other deposits	**1,724**	2,031
Other taxes payables	**13,311**	4,663
Payroll and welfare payables	**224,058**	208,278
Other payables	**65,306**	39,415
	1,062,913	853,420
Analysed for reporting purposes as:		
– Non-current liabilities	**8,956**	9,256
– Current liabilities	**1,053,957**	844,164
	1,062,913	853,420

The trade payables are non-interest-bearing and are normally settled ranged from 30 days to 90 days. The fair value of trade payables approximates to their carrying amount.

The following is an aged analysis of trade payables presented based on the date of service provided and date of goods acceptance at the end of the reporting period.

	As at 30 June 2026 ***RMB'000*** **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Within one year	**757,151**	596,990
Over 1 year	**1,363**	2,043
	758,514	599,033

14. SHARE CAPITAL

	Number of shares	**Share capital** *RMB'000*
A shares of RMB1 each		
As at 1 January 2025 (Audited)	481,569,911	481,570
Issue of shares *(Note ii)*	970,812	971
As at 31 December 2025 (Audited)	482,540,723	482,541
Issue of shares *(Note i)*	1,123,644	1,123
As at 30 June 2026 (Unaudited)	483,664,367	483,664

The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company. All ordinary shares rank equally with regard to the Company's residual net assets.

Notes:

i. On 8 June 2026, options were exercised to subscribe for 1,123,644 shares in the Company at a consideration of approximately RMB34,428,000 in which all the consideration was credited to share capital and share premium of approximately RMB1,123,000 and RMB33,305,000 respectively.

ii. On 27 May 2025, options were exercised to subscribe for 970,812 shares in the Company at a consideration of approximately RMB29,989,000 in which all the consideration was credited to share capital and share premium of approximately RMB971,000 and RMB29,018,000 respectively.

15. SUBSEQUENT EVENTS

The H shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 25 August 2026. In connection with the global offering, 31,287,300 H shares (prior to the exercise of the Over-allotment Option (as defined in the prospectus of the Company dated August 17, 2026)) were issued and allotted at the offer price of HK$100.00.

Except for the above, no other significant subsequent events have occurred since the end of the reporting period.

BUSINESS REVIEW

I. Principal Businesses of the Company During the Reporting Period

The Company is an integrated circuit design enterprise, primarily engaged in the R&D and sales of integrated circuit chip products. Its main product lines include memory ICs, computing ICs, and analog ICs. These products are widely used in fields such as automotive electronics, industrial and medical, communication equipment, and consumer electronics. During the Reporting Period, the upgrade of the Company's memory IC process technology and the new market demand brought by the rapid development of artificial intelligence (AI) led to a substantial increase in customer demand for the Company's products. Concurrently, driven by the major memory cycle, the prices of some of the Company's memory products increased, resulting in a significant year-on-year growth in operating revenue for the memory IC product line. The Company's computing IC business actively responded to the impact of the memory cycle on the supply chain and changes in customer demand, continuously strengthening support and services to customers, which also led to a favorable year-on-year growth in operating revenue. The Company's analog IC product line continuously launched new products, and with the ongoing market development, sales revenue achieved stable year-on-year growth.

(I) Industry Development During the Reporting Period

During the Reporting Period, driven by the continued explosive growth in AI demand, the super up-cycle of the global integrated circuit market propelled high prosperity across the industry. The accelerated iteration of cloud-based large models and the construction of computing power infrastructure led to exponential growth in demand for AI-related chips. Meanwhile, AI technology is accelerating its penetration and iteration into edge scenarios such as automotive, industrial, office equipment, mobile phones, wearable devices, smart homes, and artificial intelligence of things (AIoT). The continued growth in demand for local inference on edge devices is driving the demand for products such as low-power computing system-on-chip(s) (SoC(s)) and embedded memory ICs. According to World Semiconductor Trade Statistics (WSTS), the global semiconductor market reached approximately US$702.0 billion in the first half of 2026, representing a year-on-year increase of 102%. According to data released by the Ministry of Industry and Information Technology, China's total revenue from integrated circuit design business reached RMB236.5 billion in the first half of 2026, representing a year-on-year increase of 20.1%, with the growth rates for AI computing and memory ICs, among others, exceeding the average level.

Amidst the wave of cloud computing power infrastructure construction, memory ICs have become one of the core engines for the current growth cycle in the global integrated circuit sector. The rigid demand for HBM from AI servers continued to siphon off the production capacity of other types of DRAM products, leading to a persistent shortage in the supply of general-purpose DRAM. Contract prices saw significant quarterly increases, pushing the memory industry into a long cycle of continuous price hikes and shortages. At the same time, demand for SRAM and Flash also saw significant growth. The Company's memory ICs include DRAM,

SRAM, and Flash. During the Reporting Period, there was strong demand for all categories of the Company's memory IC products. In the Company's computing IC segment, affected by the memory cycle, the supply of KGD, a key raw material for computing ICs, was tight and experienced significant price increases. This led to a persistent shortage in the supply of computing ICs and substantial product price hikes. Meanwhile, as the prices of related integrated circuit products continued to rise, low-end applications for certain categories of electronic products were somewhat suppressed, and the downstream consumer market showed a degree of structural differentiation. With the continuous and rapid development of edge AI technology applications and innovations, sectors like automotive and industrial are poised for a comprehensive AI-driven transformation. Innovative applications such as embodied intelligence are also expected to be deployed at scale, thereby driving sustained growth in demand for the integrated circuit industry and promoting the long-term, rapid development of the global integrated circuit industry.

While global demand for integrated circuits continues to expand and the market develops, the domestic integrated circuit industry faces a relatively complex industrial environment due to various factors such as global industrial policies, trade frictions, and changes in industry development. Changes in tariff policies resulting from trade frictions have, to some extent, affected product sales in different countries and regions, bringing uncertainty to the development of the integrated circuit industry. Within the broader context of global division of labor, the global chip trade landscape is also showing a trend towards regionalized and independent supply chain development. In response to this changing environment, the state has provided continuous policy support and guidance to the integrated circuit industry in recent years. The demand from domestic customers for domestic substitution has been increasing, creating more market development opportunities for domestic integrated circuit enterprises.

(II) Company's Business Model

Since its establishment, the Company has adopted a Fabless business model, focusing its operations on the design and R&D of technology and products. The production processes, including wafer production and testing, as well as chip packaging and testing, are all outsourced to large, professional integrated circuit manufacturers. The Company's products are primarily targeted at corporate customers in the electronic information industry. After adopting the Company's chips, these customers need to conduct R&D for their end-product design solutions. In terms of sales model, the Company uses a combination of direct sales and distribution. For key customers, regardless of whether the sales are direct or through distributors, the Company provides direct technical support and services to assist them in resolving technical issues during the product development process.

(III) Product Categories and Applications

The Company's IC products cover fields including memory, processors, and analog circuits. In recent years, based on their functional characteristics, the Company's products are specifically divided into three categories: memory ICs, computing ICs, and analog and connectivity ICs. Among these, the main memory IC products, including DRAM, SRAM, and Flash, feature high integration

density, high performance and quality, and high economic value, and are mainly aimed at the automotive, industrial, and medical markets. Computing ICs, which mainly include Intelligent Vision SoC, Embedded MPU and AI MCU products, are mainly used in intelligent vision-related fields such as security surveillance, smart doorbells, and facial recognition devices, as well as in AIoT fields like QR code recognition, educational electronics, and smart home appliances. Analog and connectivity ICs include LED driver ICs, touch sensor ICs, DC/DC ICs, automotive microprocessor ICs, and network transmission ICs such as LIN, CAN, and GreenPHY, and are mainly used in various fields such as automotive lighting drive, power management, and in-vehicle connectivity, as well as office equipment, industrial applications, and white goods. With the continuous evolution of products, functional modules such as digital circuits, MCUs, and connectivity are being added to the existing analog and connectivity ICs, forming highly integrated mixed-signal ICs with an analog core. Based on this, the Company has adjusted its analog and connectivity IC product line to the analog IC product line.

(IV) Company's Principal Business Operations and Key Performance Drivers

The Company focuses on the field of integrated circuit design, adhering to a product strategy of "Memory + Computing + Analog" and a market strategy of "dual-wheel drive of internal and external cycles". It actively promotes the R&D of technology and products, and strengthens market promotion and customer development for its products. Benefiting from the impetus of the major memory cycle, demand for the Company's memory ICs was strong, and sales revenue achieved substantial year-on-year growth. In particular, due to persistent supply constraints, the selling prices of the Company's DRAM products increased significantly. Benefiting from the development in fields such as AI servers and optical modules, the sales volume of the Company's Flash products grew markedly year-on-year. The Company's computing IC business continuously optimized its product layout and actively pursued customer development. At the same time, the Company proactively addressed the impact of the memory cycle on the computing IC supply chain and timely captured market trends, resulting in strong year-on-year growth in sales revenue for computing ICs. During the Reporting Period, the Company achieved an operating revenue of approximately RMB3,957.3 million, representing a year-on-year increase of 75.9%, and achieved a profit for the period attributable to owners of the Company of approximately RMB1,197.6 million, representing a year-on-year increase of 489.6%. For the first quarter of 2026, the Company achieved an operating revenue of approximately RMB1,559.8 million and achieved a profit for the period attributable to owners of the Company of approximately RMB319.0 million. For the second quarter, it achieved an operating revenue of approximately RMB2,397.5 million, representing a year-on-year increase of 101.7% and a quarter-on-quarter increase of 53.7%, and achieved a profit for the period attributable to owners of the Company of approximately RMB878.6 million, representing a year-on-year increase of 580.0% and a quarter-on-quarter increase of 175.4%. In addition, as the Company implemented a restricted share incentive plan, the Company's equity incentive expenses during the Reporting Period amounted to approximately RMB14.53 million.

During the Reporting Period, the Company's business operations were as follows:

1. *Continuously strengthening the R&D of core technologies to enhance the Company's core competitiveness through an independent and controllable core technology system*

   During the Reporting Period, the Company continuously strengthened the R&D of various core technologies. Focusing on emerging market demands and edge AI applications, it continued to promote technological innovation and iteration across its product lines, including memory ICs, computing ICs, and analog ICs, thereby enhancing its technology reserves. At the same time, the Company fully initiated the use of AI tools to improve R&D efficiency. Various R&D departments continuously explored and popularized the application of AI in technology and product R&D, significantly improving R&D efficiency by using AI tools in areas such as code generation, verification, and optimization. The Company continuously strengthened its comprehensive R&D capabilities and consistently developed new technologies, thereby continuously enhancing its overall competitiveness.

   The Company possesses independent and controllable core technologies in multiple fields, including high-performance memory technology, automotive-grade IC design technology, embedded CPU technology, video codec technology, image signal processing technology, neural network processor technology, AI development platform technology, AI algorithm technology, analog technology, and connectivity technology. During the Reporting Period, in its memory business, the Company continued to enhance its technology development capabilities in high capacity, high performance, and low power consumption, and continuously upgraded its process nodes. The Company conducted R&D on memory technology and products for more advanced process technologies, continued to optimize and develop AI memory-related technologies, as well as designed the hardware and software for the RISC-V CPU security system. In response to the trend of increasing computing performance demand for edge AI, the Company enhanced its R&D of higher computing performance neural network processor technology. The performance optimization of some modules of the 4T version and the design of related software have been completed. At the same time, the Company conducted R&D on an NPU multi-core system. The Company conducted R&D in acoustic signal processing, smart voice interaction, and video encoding algorithms, and also optimized and iterated its ISP algorithms and completed the delivery of some algorithms for new products under development. The Company's AI ISP algorithm technology continued to be optimized and iterated in areas such as image and motion compensation and anti-shake. The Company also conducted R&D on an AI development platform, which supports performance verification testing and performance optimization of algorithm models for various IC products. In the analog IC business, the Company self-developed various key automotive lighting driver technologies and lighting effect driver technologies, with continuous investment in high brightness, high current, high precision, and LED lighting effects and at the same time strengthened its R&D of technology and products targeting automotive intelligence systems, including the DMS driver monitoring system and power management for domain control systems. In addition, the Company continuously updated and upgraded its technology and products in

advanced in-vehicle internal connection technology to meet the latest market development needs. The Company's technical capabilities span multiple fields including memory, computing, analog, and connectivity, building a complete technology stack from underlying hardware to system integration. The Company actively plans for and strengthens its core technologies in each key product area, continuously enhancing its core competitive advantages through an independent and controllable core technology system.

2. *Planning and developing new products based on market demand to continuously enrich the Company's product lines*

During the Reporting Period, the Company conducted R&D and iteration of new products for each product line, continuously enriching the product layout of its various product lines. In response to the growing demand for memory and edge computing performance in various application fields brought by the rapid development of AI technology, the Company promptly initiated R&D for new product categories in memory ICs, computing ICs, and analog ICs.

The Company's memory ICs are divided into three major categories: DRAM, SRAM, and Flash, primarily targeting industry markets such as automotive, industrial, and medical, as well as the high-end consumer market. Among them, its automotive-grade memory IC products rank among the top in the global market. The Company's DRAM products mainly target professional application fields with high technical barriers. They can provide customers with products of different capacities, interfaces, and power consumption specifications, meeting the requirements for industrial, medical, backbone communication, and automotive-grade products. During the Reporting Period, the Company conducted R&D and production of multiple products based on new process technologies, including DDR3, DDR4, and LPDDR4. Some of these products have completed the production of engineering samples and are in the engineering verification stage. Some products have been mass-produced and have achieved good operating revenue. Due to tight DRAM capacity, the tape-out schedule for the Company's 3D DRAM products has been delayed. The Company is actively advancing the planning and R&D of various new products and is closely monitoring fab capacity resources. The Company has a rich portfolio of SRAM products, including Synchronous SRAM, Asynchronous SRAM, and high-speed QDR SRAM products of various capacities. During the Reporting Period, the Company provided customer samples for multiple SRAM products. The Company's Flash product line includes mainstream products globally such as NOR Flash chips, NAND Flash chips, eMMC, and UFS. During the Reporting Period, the Company defined, developed, and produced engineering samples for Flash products of different capacities and types. In response to the demand from rapidly growing fields like AI servers and optical modules, the Company further strengthened its design and R&D capabilities for NOR Flash, continuously enhancing its ability to launch products with greater competitive advantages for emerging markets. The Company continued to provide samples of products such as 1Gb SPI NOR Flash and 512Mb Octal Flash to more customers. The 512Mb SPI NOR Flash products gradually ramped up in volume, and the related business performance maintained a rapid growth trend.

The Company's computing ICs mainly target various types of smart hardware products, including smart security, general video products, smart locks, QR code devices, and smart home appliances. During the Reporting Period, the Company taped out its C-series products for the general vision field and upgraded IC products for the mid-range IPC market. The C-series products primarily cater to the needs of the general video field, such as laptops, smart wearables, and inspection equipment, which have high requirements for small form factors and low power consumption. In response to the demand in the mid-to-high-end general video field, the Company initiated the R&D of upgraded IC products. At the same time, the Company continued to advance the R&D of IPC chips with higher computing performance, and this product is expected to be taped out in the second half of this year. The Company's first AI MCU was taped out for mass production in July. This product is a high-performance, multi-core heterogeneous MCU with AI processing capabilities, which can be widely used in application fields such as AI recognition, control, and human-computer interaction. The Company's high-end embedded MPU product, featuring a multi-core heterogeneous architecture and crossover performance, was taped out during the Reporting Period. This product further optimizes and enhances the MPU's crossover functions, and is equipped with a high-performance multi-core heterogeneous architecture, AI computing performance, and real-time control capabilities to meet the needs of various mid-to-high-end AIoT application markets. The Company's computing IC product line will continue to conduct R&D on related IC products, comprehensively focusing on the needs of high–, mid–, and low-end edge AI products.

The Company's analog product line includes LED driver ICs, touch sensor chips, DC/DC chips, automotive microprocessor chips, and connectivity chips such as LIN, CAN, and GreenPHY. It mainly targets the automotive, industrial, medical, and high-end consumer markets, providing customers with a rich variety of solutions for in-cabin and exterior automotive lighting and in-vehicle connectivity solutions, thereby building a rich and complete product ecosystem. In recent years, the Company has continuously enriched its product range of high-quality LED driver ICs, including automotive-grade and industrial-grade products, actively empowering an intelligent driving experience. By combining backlight driving, lighting driving, touch sensing, and wired communication technologies, it provides more convenient, safe, and reliable solutions for in-cabin human-computer interaction and vehicle charging communications. During the Reporting Period, the Company conducted R&D and tape-out for various LED driver ICs targeting both automotive and non-automotive market segments. Meanwhile, in response to the growing demand for automotive intelligent systems, the Company is leveraging its comprehensive technical expertise in power management, MCUs, and connectivity technology to enhance the intelligent driving experience. We are expanding our product portfolio and R&D in areas such as in-cabin human-computer interaction and vehicle charging communication. This includes smart, highly-integrated ambient lighting driver chips, a new generation of functionally safe DMS/OMS driving monitoring systems with IR LED driver ICs, steering wheel hands-off detection solutions, as well as power chips, high-side switches, eFuses, and interface chips for domain control systems. During the Reporting Period, the Company launched products such as automotive-grade OLED driver ICs, automotive-grade ISD LED driver ICs, ambient lighting LED driver ICs and automotive-grade

DMS/OMS IR LED driver ICs. In terms of connectivity ICs, the Company continued to conduct R&D and testing of various network transmission products for automotive applications. The Company assisted customers in the continued development and adaptation of solutions related to LIN, CAN, and GreenPHY products, helping them with product integration and implementation.

3. *Actively conducting market promotion and customer expansion, strengthening product market positioning, and working to uncover market opportunities.*

The Company's memory ICs primarily target the automotive, industrial, and medical markets. During the Reporting Period, on one hand, the squeeze from cloud AI memory kept DRAM product capacity under high tension. On the other hand, with the continuous development of edge AI, the market demand for DRAM is expected to maintain an upward trend in the long run, creating a huge gap between the supply and demand of traditional DRAM products. As customers in fields such as automotive and industrial typically rely on long-term agreements, in the second half of 2025, constrained by these agreements, the Company's DRAM products were still sold at their original prices despite significant price hikes in the consumer market. Starting from the first quarter of 2026, domestic and overseas customers successively entered a price adjustment cycle, and the gross margin of the Company's DRAM products has been continuously increasing. At the same time, as IDM manufacturers shifted their support focus to HBM and consumer products, the Company accelerated the expansion of high-quality customer resources in fields such as automotive and industrial. During the Reporting Period, new customers successively began to enter the procurement stage. The Company seized the market development opportunities of the memory cycle and actively expanded its customer resources, laying a solid foundation for the subsequent expansion of its market share in sub-segments. In addition, the Company continued to conduct R&D and promotion of new products. Since their launch, DRAM products based on new process technology have been highly recognized by customers with strong product demand, which has also driven the revenue growth of DRAM products. In terms of SRAM products, the Company continued to promote its SRAM products to drive their steady development. Due to severe shortages of DRAM, customers began to use HyperRAM or OctalRAM as substitutes for DRAM in some applications, which in turn boosted the demand for SRAM products. At the same time, driven by technologies such as AI and the Internet of Things, the demand for low-power, high-reliability memory solutions for IoT devices continued to grow. The Company's Pseudo SRAM chips meet the needs of this product market and also drove the market sales of SRAM products during the Reporting Period. In the Flash product market, demand in fields such as automotive and industrial showed an overall growth trend. The demand in the AI server and optical module fields grew strongly, with a significant year-on-year increase, which drove the revenue growth of the Company's NOR Flash products. Among various NOR Flash products, the market sales of large-capacity NOR Flash such as 512Mb and 1Gb, and memory IC products like eMMC, continued to grow. The Company has a profound technological

foundation and a global customer base. During the Reporting Period, the Company strengthened the market presence of its NOR Flash products in emerging markets such as AI servers in all aspects, from technology R&D to market promotion, in order to continuously expand the business scale of NOR Flash. In response to the growing demand for 2D NAND in fields such as automotive and industrial, the Company has increased its product R&D and resource allocation for 2D NAND.

In the computing IC field, with the continuous development and penetration of AI technology, the market demand for chips with different AI computing performance is showing a growth trend. At the same time, due to the shortage of memory raw materials, computing IC products also face tight supply. The imbalance in supply and demand has led to significant price increases for computing IC products across the board. Under the combined factors of industry development, price hikes, and shortages, the Company's computing IC revenue achieved significant year-on-year growth. In particular, in the smart security field, AOV (Always On Video) has been continuously iterated and has become a core indicator for products such as IPCs and doorbells. The Company's self-developed AOV hardware architecture maintains an industry-leading level in terms of power consumption and ecosystem. At the same time, different products have formed a product echelon covering high, mid, and low-end series of AOV products, effectively capturing market demand. In the general vision field, mainstream smart lock brands are accelerating their evolution towards AI intelligence and multi-camera setups. The demand for products like anti-shake sports cameras, pet feeders, and hunting cameras is continuously growing. The Company's series of IPC IC products effectively meet the needs of these markets. During the Reporting Period, the Company increased its promotion efforts in various emerging product markets, supporting customers' solution R&D and product implementation. The Company's C-series products, targeting the small form factor, low-power field, have been continuously promoted in areas such as laptops and smart wearable devices. As the C-series products were returned from tape-out during the Reporting Period, more customers have initiated corresponding product evaluations and design-ins. The Company's intelligent vision SoC products have been continuously promoted in various application fields. While the domestic market continues to develop, promotion in overseas markets has also gradually gained traction, with revenue from overseas achieving good year-on-year growth. The sales revenue of the Company's embedded MPU products for the AIoT market continued to grow, maintaining rapid development in markets such as QR code devices and POS machines. The brand's market share has been continuously increasing, with significant growth in overseas markets. In human-computer interaction fields such as commercial price tags and secondary screens, the Company has continuously made breakthroughs, with the procurement volume from some customers growing rapidly. The Company has been continuously promoting its AI MCU products in fields such as industrial equipment, home appliances, and office equipment. During the Reporting Period, several customers have evaluated and initiated projects for the Company's products. With the trend of AI technology continuously penetrating and upgrading various smart hardware products, computing ICs, as platform-based IC products, can be applied in a variety of smart hardware. The Company will actively conduct market promotion to seek more market applications and development opportunities.

The main source of revenue for the Company's analog IC product line is various types of LED lighting driver chips. The products feature low power consumption, low leakage, and low electromagnetic interference, as well as high quality, high reliability, high color brightness, and an excellent price-performance ratio. With an extensive product portfolio and a clear competitive advantage, our products are widely adopted in high-quality LED driver markets such as automotive, industrial, office equipment, and home appliances. The Company has particularly deep technical expertise and a strong market presence in the automotive electronics market. The Company's self-developed automotive lighting driver technology and lighting effect driver technology, combined with its automotive-grade technology foundation and high-quality management system, provide domestic and overseas automotive customers with a variety of in-vehicle LED driver IC series with a full range of part numbers, including switch drivers, matrix drivers, and linear driver chips. During the Reporting Period, the Company continuously enriched its product lines and actively promoted various IC products related to automotive intelligent systems, with its analog products maintaining an outstanding market competitive advantage in markets such as automotive, white goods, smart IoT, and office equipment. Concurrently, the Company actively cultivated its customer base of domestic and overseas brands, leading to year-on-year growth in sales revenue from analog ICs. Due to the overall tightening of capacity in the integrated circuit industry, the cost of the Company's analog ICs has also increased to some extent. However, thanks to their high quality and strong overall market competitiveness, the Company's analog products have maintained a healthy overall gross margin. It is also anticipated that certain products may undergo price adjustments in the future. By fully leveraging its self-developed core technologies and in-depth strategic focus on automotive intelligent systems, the Company expects to unlock greater market opportunities for its analog ICs. The Company's connectivity ICs are mainly automotive-grade. During the Reporting Period, we continued to promote products such as LIN, CAN, and GreenPHY. The Company supported several Tier 1 suppliers with solution design and product implementation, and some customers have begun purchasing GreenPHY products.

4. *Strengthening inventory and supply chain management to ensure stable product supply*

Due to the increasing demand for capacity from AI development across all segments of the integrated circuit supply chain, various integrated circuit products are experiencing trends of tight capacity and rising costs in areas such as wafer, packaging, and testing. At the same time, the demand for the Company's memory ICs is strong, the supply of computing ICs is also relatively tight, and the overall delivery lead time for analog IC products has been extended. In response to the current supply chain situation, the Company has further strengthened its management of inventory and all stages of product production. To ensure long-term, continuous, and stable supply for customers, since 2026, for DRAM products facing severe market shortages, the Company has allocated quarterly sales volumes based on production plans and inventory levels. While ensuring the stable demand of existing customers, it strives to meet the needs of new customers. The Company's advance stocking of certain products in 2025 also effectively alleviated the pressure

on DRAM capacity. The Company has further strengthened the expansion of upstream capacity resources for memory products such as DRAM and Flash to better support its continuously expanding business scale. In the face of shortages and price hikes of memory raw materials, the Company promptly stocked up on raw materials and carried out product production for its computing ICs. It maintained close communication with major suppliers, actively sought more supply resources, and timely adjusted its product sales strategies based on inventory and production plans, thereby striving to meet the main needs of customers when significant changes occurred in market supply. Under the current supply situation, the Company will coordinate and arrange inventory, production, and sales plans, and strengthen communication with supply chain partners to ensure the continuous and stable supply of products and meet the growing market demand.

5. *Strengthening talent team building and adopting various methods for employee incentives*

The Company places great importance on talent team building, continuously strengthening the learning and training of its management personnel, improving its incentive and restraint mechanisms, optimizing its remuneration system, and refining its performance appraisal system. To further establish and improve its long-term incentive mechanism for attracting and retaining outstanding talent, the Company, driven by confidence in its future prospects and recognition of its intrinsic value, launched the 2024 Restricted Share Incentive Plan. This plan, which aligns returns with contributions while safeguarding shareholder interests, covers certain Directors, senior management, mid-level managers, and key business (technical) personnel from its major business departments. During the Reporting Period, upon approval at the 12th meeting of the 6th Board of Directors and the 6th meeting of the 6th Nomination and Remuneration Committee on May 21, 2026, the Company processed the vesting of Class II restricted shares for eligible participants, as the vesting conditions for the second vesting period of the initial grant and the first vesting period of the reserved grant under the 2024 Restricted Share Incentive Plan had been met. The successful implementation and vesting of this equity incentive scheme helps to fully motivate the Company's management team and effectively align the interests of shareholders, the Company, and the core team. This encourages all parties to focus on the Company's long-term development, ensuring its continuous and steady growth and delivering more efficient and lasting returns to shareholders.

(V) Market position and industry competition

The Company's products include various types of chips such as memory ICs, computing ICs, and analog ICs, with applications covering multiple markets including automotive, industrial, medical, communication, and security surveillance. The Company's independently innovative core technologies and the outstanding cost-performance advantage of its products have placed its products at the forefront in various market applications. In the memory IC field, the Company's revenue from DRAM, SRAM, and NOR Flash products ranks among the top in the international market. In the security surveillance field, the Company's business has developed rapidly, and it has now become a mainstream IC supplier in the domestic consumer security surveillance market.

(VI) Company's development strategy and operating plan

The Company adheres to a product strategy of "Memory + Computing + Analog" and a market strategy of "dual-wheel drive of internal and external cycles", continuously accumulating self-developed core technologies such as memory technology, computing technology, AI-related technology, analog technology, and connectivity technology, and constantly enhancing its technical level in core areas. At the same time, the Company combines its advantages in the computing and AI fields with its strong competitiveness in the memory and analog fields, actively establishing its presence and expanding in key application areas such as automotive electronics, industrial and medical, smart security, and smart IoT. This effectively strengthens the Company's comprehensive strength, industry position, and core competitiveness, with the aim of building the Company into a domestically leading and internationally competitive integrated circuit design company.

Regarding its operating plan, the Company is actively implementing the "2026 Operating Plan" formulated in the 2025 Annual Report, continuing to advance the R&D of core technologies and enhance the Company's core competitiveness, continuing to conduct new product R&D to enrich the Company's product categories and improve the competitive advantage of its product lines, continuing to strengthen market development and timely seize market development opportunities during the upward cycle of market demand, continuing to strengthen supply chain management, maintaining close communication with upstream suppliers, and striving to meet customers' product demand, strengthening the Company's operational management and talent development, and placing importance on employee incentives. The Company adheres to a long-term development strategy, values the R&D of core technologies, and actively implements product and market strategies, laying a solid foundation for its healthy, sound, and long-term development.

(VII) Development of important new products and their potential impact on the Company

During the Reporting Period, all of the Company's product lines carried out new product R&D. Depending on the progress of different products, some new products are still in the R&D stage, some have completed tape-out and are in the process of producing engineering samples, and some have completed the production of engineering samples and have initiated mass production based on test results. The Company continues to advance the R&D and tape-out of DRAM products with new process technology, and is increasing the R&D and promotion of high-density NOR Flash products. The Company's new computing ICs targeting fields such as smart security, general security, and AIoT have all been taped out. In the analog IC field, the Company has planned and developed high-specification LED driver ICs and various IC products for in-vehicle intelligence systems. The successive launch of various new products will continuously enhance the Company's product competitiveness in various market fields, thereby supporting the sustained and stable development of the Company's business.

II. Analysis of Core Competitiveness

(I) Technological Advantages

The Company has a strong R&D DNA and has always adhered to a R&D strategy of independent innovation in core technology fields. After years of continuous investment, the Company has gradually formed its own key technologies in the following areas:

1. Embedded CPU technology. The Company's founding team has been engaged in the R&D of embedded CPU technology for many years, achieving breakthroughs in key metrics such as high performance and low power consumption. The Company designed the XBurst series CPU core based on the 32-bit MIPS instruction set architecture. This core adopts the Company's innovative microarchitecture, and its clock frequency, power consumption, and area are all ahead of existing similar 32-bit RISC microprocessor cores in the industry under the same process technology. Since 2014, the open-source RISC-V instruction set architecture has gained widespread support and rapid development in the industry. The Company has actively embraced this trend and initiated the R&D of CPU cores based on the RISC-V architecture. Currently, the Company's self-developed RISC-V CPU cores have been applied in some of its IC products.

2. Video codec technology. Video content is the core of multimedia content. The Company's self-developed video codec supports most mainstream international video formats, including decoding of various mainstream video formats and encoding of bitstreams in formats such as H.264 and H.265. The Company's video codec improves performance by combining algorithmic and hardware optimizations for the critical encoding path and reduces dynamic power consumption through finely designed switch controls, enabling its overall performance, area, and power consumption to reach advanced industry levels, which supports the Company's expansion in the smart vision field.

3. Image signal processing technology. The Company's self-developed image signal processing technology continuously surpasses the highest levels in the industry, achieving cutting-edge image signal technologies such as 2D/3D noise reduction, AI wide dynamic range, automatic anti-flicker, noise modeling, and AI image enhancement, which can meet the application needs of various complex lighting scenarios. The Company's Image Signal Processor meets customers' demands for high-quality images. It also leverages the Company's proprietary AI processor and algorithm technologies to assist with noise reduction and detail enhancement, further improving its imaging quality.

4. Neural network processor technology. With the rapid development and application of AI technology, the demand for chips that provide computing performance for AI algorithms in the smart IoT field has become increasingly widespread. The Company has been continuously investing in the research of neural network processors in recent years. The Company has leveraged its advantages in proprietary CPU technology and organically integrated it with neural network processor technology to create its unique AI computing engine. The Company's AI computing engine strikes a balance between computational efficiency and flexibility. Built on a foundation of high computing performance, it features enhanced programmability, effectively accelerating high-intensity computations like convolution and pooling while maintaining ample flexibility. Furthermore, low-bit quantization technology enhances the engine's low-power, low-bandwidth AI computing capabilities, enabling it to deliver varying levels of computing performance at different precisions to address diverse computational requirements and scenarios.

5. AI development platform technology. Targeting AI application scenarios, the Company has developed a full-stack deep neural network development platform that integrates model training, optimization, conversion, and inference deployment. It includes multiple functional modules such as model training plugins for mainstream frameworks, model optimization and conversion toolchains, and inference firmware libraries. It offers a rich library of pre-trained models (including classic models for image recognition, voice processing, large models, etc.) and self-developed algorithm models, which can help developers quickly implement AI applications. Through complete toolchain support, the platform enables developers to conveniently use the latest AI technologies, covering the entire process from model development to terminal deployment.

6. AI algorithm technology. There is a huge demand for AI in the application fields of the Company's products. In recent years, the Company has been heavily investing in the research and application of AI algorithms. It has a large number of mature algorithms in fields such as facial recognition, license plate recognition, cry detection, human detection, human tracking, multi-object detection, and mask detection, which have already been introduced to the market. The Company continuously optimizes its quantization tools, lowers the barrier to using training plugins, and accelerates the iteration speed of low-bit models. As the Company's AI algorithm technology continues to advance, its hardware-software co-design capabilities are constantly improving, and its algorithm platform is becoming more open and mature. The Company also has an effective algorithm demand feedback platform, which facilitates the rapid iteration of its algorithm technology.

7. Memory technology, including DRAM, SRAM, NOR Flash, embedded Flash, etc. The Company's wholly-owned subsidiary, Integrated Silicon Solution, Inc. Beijing, has over thirty years of experience in the memory field, developing a comprehensive technical framework and engineering support system. It provides high-quality, high-reliability memory products for sectors such as automotive electronics, industrial, and medical, as well as chips for the communications and high-end consumer electronics industries.

8. Analog and connectivity technology, including FxLED drivers, high-power LED drivers, lighting driver technology, lighting effect driver technology, LIN/CAN bus, GreenPHY, G.vn, and other related technologies, enabling the Company to provide various IC products for fields such as automotive electronics, industrial manufacturing, communication equipment, and consumer electronics. The Company's LED driver technology keeps pace with industry advancements by continuously accumulating related technologies and products. Its application scenarios are constantly expanding, allowing it to meet market and customer demands for various types of LEDs.

(II) Product Advantages

The Company's commitment to independent R&D in core technologies has brought the following advantages to its IC products:

1. Independent, controllable, and not reliant on others. As the Company develops its main core technologies in-house, its products are independent and controllable, not reliant on third-party manufacturers, and thus are not vulnerable to being "choked off". Particularly in the CPU core field, the Company has always been committed to independent R&D to ensure its technology is self-reliant and controllable. As the market and technology evolve, the Company's computing IC products will gradually shift entirely to the RISC-V architecture, further enhancing its independence and control over core technologies. In technical fields such as video, image, and AI, the Company's technology is also fully autonomous and independent.

2. Highly cost-effective. As the core technologies are independently developed, the Company's related technology licensing fees during the IC design, production, and sales stages are significantly reduced. Furthermore, during chip design, relevant modules can be tailored to the specific needs of the product, avoiding design redundancy. Combining these factors, the Company's products have a higher cost-performance ratio.

3. The Company's products generally feature high performance and low power consumption. These characteristics stem from the features of the Company's core technologies and are widely recognized in the industry.

4. Better sustainability. As the Company has full control over its core technologies, it can make timely technical adjustments and responses according to market changes, thus achieving better sustainability.

5. High quality and high reliability. The Company's memory IC product line and analog IC product line mainly target fields such as automotive electronics, industrial and medical, and communication equipment. Characterized by high quality and high reliability, they allow the Company to provide customers with chips that have an extremely low product failure rate (PPM), which in turn greatly enhances and ensures product quality, high reliability, and customer satisfaction.

6. A rich and comprehensive range of product categories for industry markets. Targeting industry markets such as automotive and industrial, the Company's memory IC and analog IC product lines offer a wide range of product categories, fully meeting the diversified needs of these markets. The Company's memory ICs include three categories: DRAM, SRAM, and FLASH. The Company's DRAM product development mainly targets professional application fields with high technical barriers, with products covering various capacity specifications from 16Mb, 32Mb, 64Mb, 128Mb to 1Gb, 2Gb, 4Gb, 8Gb, 16Gb, and 32Gb. The Company offers an extensive range of SRAM products, from traditional Synch and Asynch SRAM to industry-leading high-speed QDR SRAM, for which it holds independently developed intellectual property. The Company's Flash product line includes globally mainstream NOR Flash memory ICs with various capacity specifications from 256Kb to 2Gb, and NAND Flash memory ICs with various capacity specifications from 1Gb to 8Gb. The Company's analog products mainly consist of various types of LED driver ICs, including multi-frequency, matrix, and linear drivers. Particularly in the automotive sector, the Company has been continuously expanding its product portfolio. Its products are now widely used in various types of vehicle lighting, such as position lights, clearance lamps, ground projection lamps, brake lights, high-mount stop lamps, fog lights, tail lights, turn signals, headlights, daytime running lights, high beams, and full-width tail lights. The Company continuously expands its product range for industrial markets, providing high-quality products and technical services to its customers in the sector.

(III) Advantages in Engineering Support System for Automotive Electronics

Based on business development needs, some of the Company's subsidiaries have passed the ISO9001 quality management system certification and comply with the ISO14001 environmental protection standard. At the same time, the Company has established a supply chain management system for automotive electronics in accordance with the requirements of IATF16949. The Company has also established corresponding laboratories and processes to ensure that the automotive-grade chips provided to customers can pass the tests of the AEC-Q100 system and to provide the corresponding test reports. When customers in the automotive electronics sector encounter chip quality issues, the Company can promptly provide corresponding analysis, support, and services. In addition, the Company's relevant management system has also obtained ISO26262 quality system certification (ASIL-D level), and is capable of developing chips that meet various ASIL levels.

(IV) Team and Talent Advantages

The Company has an international integrated circuit design team, with team members located in China, the United States, Israel, South Korea, Japan, and other places. Their domain knowledge covers memory design, processor design, analog circuit design, communication circuit design, etc. As the Company continues to intensify its efforts in building its talent pool, the strength of its team and talent will be continuously enhanced. The Company continuously strengthens pre-employment and team-building training for its employees, and has established a scientific, standardized, and systematic human resources training system. At the same time, the Company actively cultivates versatile talents, forms a reasonable talent echelon, and has nurtured a group of talents with leadership spirit who lead their teams to be diligent in research, bold in innovation, and hardworking, providing effective support for the Company's further development.

(V) Globalized Resource Advantages

The Company has branches in more than twenty countries or regions, with its market and customers spread across the globe. The Company possesses globalized talent, market, customer, and sales resources, which enables it to conduct its overall business layout, market planning, product R&D, and customer promotion from a global perspective. This helps the Company promptly grasp domestic and overseas market development trends, seize opportunities for industry development and change to grow and strengthen its business, and enhance its risk resistance capabilities.

(VI) Patents

As of the end of the Reporting Period, the Company and its wholly-owned subsidiaries held 819 patent certificates, 187 software copyright registration certificates, 105 integrated circuit layout designs, and 159 trademarks.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group mainly generated revenue from sales of memory ICs, computing ICs and analog ICs. The Group offered relevant technical services to customers purchasing IC products, assisting them in developing relevant software systems and optimizing product functionality. In addition, the Group leased out portions of its self-owned properties that were temporarily not required for its business operations, and recognized rental income from these leasing activities.

The total revenue of the Group increased by 75.9% to approximately RMB3,957.3 million for the six months ended June 30, 2026 from RMB2,249.1 million for the same period of 2025, as a result of the strong demand for the Company's memory ICs driven by the memory supercycle, which led to a significant year-on-year increase in sales revenue. The Company's computing IC business continuously optimized its product layout and actively pursued customer development. At the same time, the Company proactively addressed the impact of the memory cycle on the computing IC supply chain and timely captured market trends, resulting in strong year-on-year growth in sales revenue for computing ICs.

The following table sets forth an analysis of the Group's revenue for the periods indicated.

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Memory ICs	**2,631,616**	1,384,476
Computing ICs	**1,043,405**	604,297
Analog ICs	**269,607**	243,794
Others[(1)]	**12,635**	16,545
Total	**3,957,263**	2,249,112

Note:

(1) Mainly includes sales of other goods including development boards, provision of technical services and rental income.

Revenue generated from memory ICs increased by 90.1% to approximately RMB2,631.6 million for the six months ended June 30, 2026 from RMB1,384.5 million for the same period of 2025, mainly due to the impact of the memory cycle. The supply of the Company's DRAM products remained tight and their selling prices increased significantly, leading to strong growth in operating revenue. At the same time, the severe shortage of DRAM prompted customers to start using SRAM products as a substitute for DRAM in some applications, thereby boosting the demand for SRAM products. Benefiting from the developments in fields such as AI servers and optical modules, the Company has seen a significant year-on-year increase in sales volume of Flash products. As NOR Flash production capacity continued to be tight, the price of NOR Flash also increased. These combined factors contributed to a significant increase in revenue from Flash products.

Revenue generated from computing ICs increased by 72.7% to approximately RMB1,043.4 million for the six months ended June 30, 2026 from RMB604.3 million for the same period of 2025, mainly benefiting from the growing market demand for chips with different AI computing capabilities, driven by the continuous development and penetration of AI technology. At the same time, due to the shortage of raw materials for memory ICs, computing IC products also face tight supply. The imbalance in supply and demand has led to significant price increases for computing IC products. Under the combined effects of industry development, price hikes, and shortages, the Company achieved significant year-on-year growth in revenue from computing ICs.

Revenue generated from analog ICs increased by 10.6% to approximately RMB269.6 million for the six months ended June 30, 2026 from RMB243.8 million for the same period of 2025, mainly because during the Reporting Period, the Company continuously enriched its product lines and expanded its product portfolio across various markets such as automotive, white goods, smart IoT, and office equipment. The products have maintained a prominent competitive advantage. At the same time, the Company actively expanded its customer base of domestic and overseas brands, achieving certain year-on-year growth in sales revenue from analog ICs.

Cost of Sales

During the Reporting Period, the Group's cost of sales mainly consisted of (i) cost of wafers and (ii) packaging and testing costs. The Group also recorded write-down (reversal on write-down) of inventories as its cost of sales.

The Group's cost of sales increased by 31.7% to approximately RMB1,948.5 million for the six months ended June 30, 2026 from RMB1,479.5 million for the same period of 2025, as a result of sales growth.

Gross Profit and Gross Margin

The Group's gross profit increased by 161.0% to approximately RMB2,008.8 million for the six months ended June 30, 2026 from RMB769.6 million for the same period of 2025, because the price increases for memory IC and computing IC products were significant, while the increase in costs was lower than the increase in selling prices, which boosted the Company's gross margin. The growth in the Company's operating revenue and gross margin propelled the growth of its gross profit. For the six months ended June 30, 2026, the Group's gross margin was 50.8%, representing an increase of 16.6 percentage points from 34.2% for the same period of 2025.

Other Income and Gains, Net

During the Reporting Period, the Group's other income and gains mainly consisted of bank interest income and net exchange gains. The Group's other income and gains, net decreased by 55.6% to approximately RMB46.7 million for the six months ended June 30, 2026 from RMB105.2 million for the same period of 2025, as a result of the year-on-year decrease in gains in relation to the disposal of assets.

Selling and Distribution Expenses

The Group's selling and distribution expenses for the six months ended June 30, 2026 were approximately RMB216.3 million, representing an increase of 26.7% compared with RMB170.7 million for the same period of 2025. This was mainly due to the growth in sales revenue, which led to a year-on-year increase in sales commissions and royalties.

Administrative Expenses

The Group's administrative expenses for the six months ended June 30, 2026 were approximately RMB117.3 million, representing a decrease of 8.1% compared with RMB127.7 million for the same period of 2025. This was mainly attributed to a year-on-year decrease in equity incentive expenses.

Research and Development Expenses

The Group's research and development expenses for the six months ended June 30, 2026 were approximately RMB382.2 million, representing an increase of 9.7% compared with RMB348.3 million for the same period of 2025. This was mainly attributed to an increase in employee remuneration.

Income Tax Expenses

The Group's income tax expenses for the six months ended June 30, 2026 were approximately RMB139.5 million, representing an increase of 431.1% compared with RMB26.3 million for the same period of 2025. This was mainly attributed to a year-on-year increase in income tax expenses resulting from profit growth.

Financial Resources, Liquidity and Capital Structure

During the Reporting Period, the Group financed its operations primarily through cash generated from operating activities.

The Group's bank balances and cash as of June 30, 2026 amounted to approximately RMB3,953.7 million (as of December 31, 2025: RMB4,087.1 million).

As of June 30, 2026, the Group had no bank or other borrowings (as of December 31, 2025: nil).

The Group has sufficient liquidity to meet its day-to-day liquidity management and capital expenditure requirements.

The Group maintained a sound financial position during the Reporting Period. The financial management department of the Group is responsible for its financial risk management, aiming to ensure that the liquidity structure of the assets, liabilities and other commitments of the Group could meet its funding needs on an ongoing basis.

Pledge of Assets

As of June 30, 2026, the net book value of the Group's pledged assets amounted to approximately RMB4.5 million (as of December 31, 2025: RMB4.5 million). Such assets comprise restricted bank deposits primarily for guarantee purposes.

Contingent Liabilities

As of June 30, 2026, the Group did not have any material contingent liabilities.

Gearing Ratio

The Group's gearing ratio, defined as the proportion of total liabilities to total assets, increased from 8.0% as of December 31, 2025 to 9.2% as of June 30, 2026, which was primarily due to an increase in current liabilities related to operating activities.

FUTURE OUTLOOK

With the continuous increase in investment in AI cloud computing infrastructure in 2026, the memory IC sector has been facing extremely tight supply and demand, driving the rapid development of the entire industry chain. The global memory cycle continues its upward trend, promoting the continuous growth in demand for related IC products. It is expected that the memory cycle will persist into the next Reporting Period. AI-related technologies will continue to drive the structural upgrade and development of the integrated circuit industry. The continuous iteration and upgrading of products such as advanced memory ICs and high-performance computing ICs will provide stronger technical support for numerous application fields, including AI, cloud computing, and IoT, thereby further driving the sustained growth of the integrated circuit market. Due to the limitations of the expansion cycle of DRAM foundries and the impact of production cuts and market exits by major manufacturers, the tight supply of DRAM products is not expected to ease in the second half of 2026, which is anticipated to maintain a sustained growth trend in the Company's memory IC revenue and

gross margin. Amid the trend of automotive intelligence, market demand for the Company's products, such as DDR4 and LPDDR4, will continue to increase. In the Flash segment, demand from emerging markets such as AI servers will continue to drive revenue growth for the Company's Flash product line. Demand for the Company's Flash products, particularly high-density NOR Flash products, is expected to maintain its growth.

In the second half of 2026, the computing IC sector is expected to remain affected by price increases and shortages of memory raw materials. Continuously rising production costs and product selling prices may bring certain uncertainties to the development of the consumer electronics market. On the other hand, the continuous development of edge AI will drive growth in demand for applications such as edge computing and edge AI. The Company is continuously introducing new products for its computing IC product line in the fields of smart security, pan-vision, and AIoT, thereby enriching its computing IC product portfolio and enhancing their overall competitiveness.

As production capacity across all segments of the integrated circuit industry gradually tightens, the analog IC sector has also been affected by rising costs. In the second half of 2026, there is a possibility of product price increases in the analog IC sector. The Company's analog ICs are expected to maintain a stable growth trend. Any increase in product prices could potentially drive revenue growth.

Taking the above factors into consideration, amid the rapid development of AI, continuously increasing investment in AI cloud computing infrastructure, and growing demand for edge computing and edge AI storage, the Company's overall business for the current year is expected to maintain a strong year-on-year growth trend.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Since the H shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on August 25, 2026 (the "**Listing Date**"), a date falling after the Reporting Period, the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") was not applicable to the Company during the Reporting Period.

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of the shareholders of the Company (the "**Shareholders**"). Since the Listing Date, the Company has adopted the code provisions in Part 2 of the Corporate Governance Code as the basis for its corporate governance practices.

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company deviates from this provision because Dr. Liu Qiang, performs both the roles of the chairman and general manager in the Company. The Board believes that, in view of his experience, personal profile and understanding of the Group's business operations as detailed in his biography above, Dr. Liu Qiang is the Director best suited to identify strategic opportunities and focus of the Board. Vesting the roles of both

chairman and general manager to Dr. Liu Qiang can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. The Board considers that the balance of power and authority will not be impaired due to this arrangement. The Board will reassess the division of the roles of chairman and the general manager from time to time, and may recommend dividing the two roles between different people in the future, taking into account the circumstances of the Group as a whole.

Save as disclosed above, the Company has complied with all applicable code provisions set out in the Corporate Governance Code throughout the period from the Listing Date to the date of this announcement.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

Since the Listing Date fell after the Reporting Period, the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") was not applicable to the Company during the Reporting Period.

Since the Listing Date, the Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors.

Having made specific enquiries to all of the Directors, all Directors confirmed that they have fully complied with all relevant requirements set out in the Model Code from the Listing Date to the date of this announcement.

The Company's employees and directors and employees of the subsidiaries of the Company, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code was noted by the Company from the Listing Date to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (within the meaning of the Listing Rules)) during the Reporting Period. The Company did not have any treasury shares as of June 30, 2026.

INTERIM DIVIDEND

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2026.

IMPORTANT EVENTS AFTER THE END OF THE REPORTING PERIOD

The H shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date. In connection with the global offering, 31,287,300 H shares (prior to the exercise of the Over-allotment Option (as defined in the prospectus of the Company dated August 17, 2026)) were issued and allotted at the offer price of HK$100.00.

Save as disclosed above, there are no other important events affecting the Group since the end of the Reporting Period and up to the date of this announcement.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The audit committee of the Company has reviewed the interim results of the Group for the six months ended June 30, 2026 and agreed with the accounting treatment adopted by the Company.

By order of the Board
Ingenic Semiconductor Co., Ltd.
Dr. Liu Qiang
Executive Director, Chairman of the Board and General Manager

Beijing, PRC, August 28, 2026

As of the date of this announcement, the Board comprises (i) Dr. Liu Qiang, Mr. Zhang Jin, Mr. Xian Yonghui and Mr. Huang Lei as executive Directors; (ii) Mr. Li Jie, Mr. Zheng Hao and Ms. Zhang Yanxiang as non-executive Directors; and (iii) Mr. Ye Jinfu, Dr. Xiao Limin, Ms. Yu Ying and Mr. Xiang Zuo as independent non-executive Directors.